SS SB 913 -- TAX CREDITS

This bill extends the sunset or expiration from 2028 to 2033 for the following:

(1) Wood Energy Tax Credit;

(2) Meat Processing Facility Investment Tax Credit;

(3) Higher Ethanol Fuel Tax Credit;

(4) Biodiesel Retail Sale Tax Credit;

(5) Biodiesel Production Tax Credit;

(6) Urban Farms Tax Credit;

(7) Rolling Stock Tax Credit;

(8) Agricultural Production Tax Credit; and

(9) Specialty Agricultural Crops Act.

The bill provides that, as it relates to biodiesel retail sale tax credit, a taxpayer must not be liable for penalties or interest on an income tax balance due if such taxpayer is denied part or all of the tax credit to which the taxpayer has qualified due to lack of available funds, and such denial causes a balance-due notice to be generated by the Department of Revenue or any other redeeming agency. Such taxpayer must pay the balance due within 60 days or be subject to penalties and interest pursuant to current law.

The bill also establishes the Railroad Infrastructure Tax Credit. For all tax years beginning on or after January 1, 2027, the bill authorizes a tax credit in the amount of 50% of an eligible taxpayer's qualified railroad expenditures and qualified new rail infrastructure expenditures, as those terms are defined in the bill.

A tax credit for qualified railroad expenditures must not exceed $5,000 multiplied by the number of miles of railroad track owned or leased in the State by a shortline railroad, and the total amount of tax credits for qualified railroad expenditures authorized in a calendar year must not exceed $4.5 million. A tax credit for qualified new rail infrastructure expenditures must not exceed $1 million for each new rail-served customer

project, and the total amount of tax credits for qualified new rail infrastructure expenditures authorized in a calendar year must not exceed $5 million.

An eligible taxpayer must submit a certificate of eligibility to the Department of Economic Development after the completion of the qualified railroad expenditures or qualified new rail infrastructure expenditures.

Tax credits authorized in these provisions will not be refundable, but can be carried forward for up to five subsequent tax years. Tax credits can be transferred as described in the bill.

This tax credit sunsets on December 31, 2032.